

## **EXHIBIT 1**

### **INTRODUCTION**

Mattel, Inc., (“Mattel”) is a toy manufacturer headquartered in the City of El Segundo, which is located in the County of Los Angeles. This matter arose from a complaint filed by Mattel. In the complaint, Mattel voluntarily disclosed that it had discovered that a former senior executive, Respondent Fermin Cuza, had unilaterally caused Mattel to reimburse various individuals for their political contributions.

Making a contribution on behalf of another, without revealing the ultimate source of the contribution, undermines the campaign disclosure provisions of the Political Reform Act (the “Act”),<sup>1</sup> as it denies the public of information about the true source of a candidate’s financial support.

For the purposes of this Stipulation, Respondent’s violations of the Act are stated as follows:

- COUNT 1:** On or about August 21, 1997, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Bill Lockyer, as a candidate for Attorney General in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 2:** On or about September 18, 1997, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Tim Leslie, as a candidate for Lieutenant Governor in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 3:** On or about September 24, 1997, Respondent Fermin Cuza made a \$100 contribution on behalf of Mattel, Inc., to Larry Guidi, as an incumbent candidate for Mayor of the City of Hawthorne in the November 4, 1997 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 4:** On or about September 25, 1997, Respondent Fermin Cuza made a \$100 contribution on behalf of Mattel, Inc., to Larry Guidi, as an incumbent candidate for Mayor of the City of Hawthorne in the November 4, 1997 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, title 2, section 18109 through 18996. All regulatory references are to Title 2 of the California Code of Regulations.

- COUNT 5: On or about September 25, 1997, Respondent Fermin Cuza made a \$100 contribution on behalf of Mattel, Inc., to Larry Guidi, as an incumbent candidate for Mayor of the City of Hawthorne in the November 4, 1997 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 6: On or about November 6, 1997, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Gray Davis, as a candidate for Governor in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 7: On or about November 6, 1997, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to George Nakano, as a candidate for the California State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 8: On or about December 3, 1997, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Johan Klehs, as a candidate for the Board of Equalization in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 9: On or about January 15, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Debra Bowen, as a candidate for the State Senate in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 10: On or about January 19, 1998, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Mark Wirth, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 11: On or about February 23, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Mark Wirth, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 12: On or about March 20, 1998, Respondent Fermin Cuza made a \$100 contribution on behalf of Mattel, Inc., to John Chiang, as a candidate for the Board of Equalization in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 13: On or about April 23, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to John Latimer, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 14: On or about April 23, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Albert Martinez, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 15: On or about April 23, 1998, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Gloria Romero, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 16: On or about April 23, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Hannah-Beth Jackson, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 17: On or about May 11, 1998, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Haydee Tillotson, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 18: On or about May 14, 1998, Respondent Fermin Cuza made a \$200 contribution on behalf of Mattel, Inc., to Haydee Tillotson, as a candidate for the State Assembly in the June 2, 1998 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 19: On or about March 24, 1999, Respondent Fermin Cuza made a \$5,000 contribution on behalf of Mattel, Inc., to Larry Guidi, as an incumbent candidate for Mayor of the City of Hawthorne in the November 2, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 20: On or about April 5, 1999, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the April 13, 1999 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 21: On or about May 26, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, in violation of Section 84302.
- COUNT 22: On or about May 29, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 23: On or about May 29, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 24: On or about May 30, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 25: On or about May 30, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 26: On or about June 5, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 27: On or about June 5, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 28: On or about June 7, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Nick Pacheco, as a candidate for the Los Angeles City Council in the June 8, 1999 general municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 29: On or about July 7, 1998, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Debra Bowen, as a candidate for the California State Senate in the November 3, 1998 general election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 30: On or about October 1, 1998, Respondent Fermin Cuza made a \$100 contribution on behalf of Mattel, Inc., to Don Knabe, as a member of the Los Angeles County Board of Supervisors, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 31: On or about April 6, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Don Knabe, as a member of the Los Angeles County Board of Supervisors, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 32: On or about June 21, 1999, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to George Nakano, as a candidate for the California State Assembly in the March 7, 2000 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 33: On or about September 1, 1999, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Betty Karnette, as a candidate for the California State Senate in the March 7, 2000 primary election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 34: On or about October 7, 1999, Respondent Fermin Cuza made a \$2,500 contribution on behalf of Mattel, Inc., to Lt. Governor Cruz Bustamante, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 35: On or about November 17, 1999, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to George Nakano, as a candidate for the California State Assembly in the March 7, 2000 primary election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 36: On or about December 13, 1999, Respondent Fermin Cuza made a \$250 contribution on behalf of Mattel, Inc., to Yvonne Burke, as a member of the Los Angeles County Board of Supervisors, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 37: On or about December 30, 1999, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Antonio Villaraigosa, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 38: On or about January 25, 2000, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 39: On or about February 15, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Antonio Villaraigosa, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 40: On or about May 13, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 41: On or about June 13, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Rocky Delgadillo, as a candidate for City Attorney of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 42: On or about June 13, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Rocky Delgadillo, as a candidate for City Attorney of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 43: On or about June 13, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Rocky Delgadillo, as a candidate for City Attorney of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 44: On or about June 14, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Rocky Delgadillo, as a candidate for City Attorney of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 45: On or about June 22, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 46: On or about June 23, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 47: On or about June 23, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 48: On or about June 26, 2000, Respondent Fermin Cuza made a \$500 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 49: On or about June 26, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.

- COUNT 50: On or about June 26, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 51: On or about June 26, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 52: On or about June 27, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 53: On or about June 27, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 54: On or about July 10, 2000, Respondent Fermin Cuza made a \$4,799 contribution on behalf of Mattel, Inc., to the Democratic National Committee Non-Federal Corporate, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 55: On or about July 10, 2000, Respondent Fermin Cuza made a \$4,799 contribution on behalf of Mattel, Inc., to the Democratic National Committee Non-Federal Corporate, without disclosing the true source of the contribution, in violation of Section 84302.
- COUNT 56: On or about August 16, 2000, Respondent Fermin Cuza made a \$1,000 contribution on behalf of Mattel, Inc., to Xavier Becerra, as a candidate for Mayor of Los Angeles in the April 10, 2001 primary municipal election, without disclosing the true source of the contribution, in violation of Section 84302.



## **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. In furtherance of this purpose, Section 84302 provides that no person shall make a contribution on behalf of another, or while acting as an intermediary or an agent of another, without disclosing to the recipient the true source of the contribution.

## **SUMMARY OF THE FACTS**

On March 23, 2001, Mattel filed a complaint with the Fair Political Practices Commission (the “FPPC”). In the complaint, Mattel voluntarily disclosed that it had discovered that a former senior executive, Respondent Fermin Cuza, had unilaterally caused Mattel to reimburse various individuals for their political contributions.

Respondent joined Mattel in 1985. When Respondent left Mattel in March 2001, he was the Senior Vice President of International Trade and Worldwide Governmental Affairs. He held this position from approximately June 1997 to March 2001. Respondent’s duties at Mattel included monitoring United States trade policy, managing Mattel’s worldwide customs activities, representing Mattel’s interests before customs-related agencies and Congress, and negotiating with foreign governments. One of his primary accomplishments at Mattel was the system he designed to streamline Mattel’s customs clearance procedures. As part of that streamlining process, an automatic payment procedure for certain customs duties and payments was established. Part of this process allowed invoices from pre-approved vendors to be paid directly by a brokerage service company and without review by Mattel’s Accounts Payable department or other Mattel employees. One of the pre-approved vendors was the LAXMI Group (“LAXMI”).

Several years after joining Mattel, Respondent became responsible for managing Mattel’s Government Relations Program. As part of the program, Mattel had a dedicated account from which political contributions were to be made, and each political contribution was debited from Mattel’s government affairs budget. In 1996, Respondent contracted with Alan Schwartz for international trade and political consulting services. Mr. Schwartz is the sole proprietor of AMS Consulting Services, LLC, aka Asset Management Systems (“AMS”).

Mr. Schwartz submitted two types of invoices to Respondent for payment. The first type of invoice was a monthly invoice for consulting services. The monthly invoice was submitted directly to Mattel and paid directly by Mattel. The second type of invoice was submitted to Respondent, who approved the invoices, and forwarded them to Mattel’s pre-approved vendor LAXMI for payment. LAXMI, in turn, sought reimbursement from Mattel. There is no evidence that any senior Mattel executive other than Respondent knew that AMS received additional payments from Mattel via LAXMI.

In December 2000, a Mattel employee told a Human Resources Manager that Respondent appeared to be improperly directing third parties to make political contributions and arranging for their reimbursement through Mattel. Mattel conducted an internal investigation and concluded that Respondent had devised a scheme whereby reimbursements were made from Mattel to AMS that were routed through LAXMI. Based on its internal investigation findings, Mattel filed voluntary disclosures with three governmental agencies, the Federal Elections Commission, the FPPC and the Los Angeles City Ethics Commission ("LACEC").

According to Mattel's internal investigation, and a subsequent joint investigation by the FPPC and LACEC, Respondent, with the assistance of Mr. Schwartz, made 56 political contributions without disclosing that Mattel was ultimately the true source of the contributions. Respondent determined the recipient and the amount of each contribution. Respondent then either made the contribution from his personal funds, or directed Mr. Schwartz, or another third party, to make the contribution. At the direction of Respondent, Mr. Schwartz obtained reimbursement for the contributions through the invoices that he submitted to Respondent for payment by Mattel. The 56 contributions were as follows:

Count	Date	Contributor Disclosed	Recipient of Contribution	Election Date	Amount
1	08/21/97	Alan Schwartz	Bill Lockyer, Candidate for Attorney General	06/02/98	\$250
2	09/18/97	Alan Schwartz	Tim Leslie, Candidate for Lieutenant Governor	06/02/98	\$250
3	09/25/97	Alan Schwartz	Larry Guidi, Candidate for Mayor of the City of Hawthorne	11/04/97	\$100
4	09/25/97	Fermin Cuza	Larry Guidi, Candidate for Mayor of the City of Hawthorne	11/04/97	\$100
5	09/25/97	Ines Cuza	Larry Guidi, Candidate for Mayor of the City of Hawthorne	11/04/97	\$100
6	11/06/97	Alan Schwartz	Gray Davis, Candidate for Governor	06/02/98	\$1,000
7	11/06/97	Alan Schwartz	George Nakano, Candidate for State Assembly	06/02/98	\$250
8	12/03/97	Alan Schwartz	Johan Klehs, Candidate for Board of Equalization	06/02/98	\$500
9	01/15/98	Alan Schwartz	Debra Bowen, Candidate for State Senate	06/02/98	\$500
10	01/19/98	Alan Schwartz	Mark Wirth, Candidate for State Assembly	06/02/98	\$250
11	02/23/98	Fermin Cuza	Mark Wirth, Candidate for State Assembly	06/02/98	\$500
12	03/20/98	Alan Schwartz	John Chiang, Candidate for the Board of Equalization	06/02/98	\$100

13	04/23/98	Alan Schwartz	John Latimer, Candidate for State Assembly	06/02/98	\$500
14	04/23/98	Alan Schwartz	Albert Martinez, Candidate for State Assembly	06/02/98	\$500
15	04/23/98	Alan Schwartz	Gloria Romero, Candidate for State Assembly	06/02/98	\$1,000
16	04/23/98	Alan Schwartz	Hannah-Beth Jackson, Candidate for State Assembly	06/02/98	\$500
17	05/11/98	Alan Schwartz	Haydee Tillotson, Candidate for State Assembly	06/02/98	\$250
18	05/14/98	Fermin Cuza	Haydee Tillotson, Candidate for State Assembly	06/02/98	\$200
19	07/07/98	AMS Consulting	Debra Bowen, Candidate for State Senate	11/03/98	\$500
20	10/01/98	AMS Consulting	Don Knabe, Los Angeles County Board of Supervisors	03/07/00	\$100
21	03/24/99	Fermin Cuza	Larry Guidi, Candidate for Mayor of the City of Hawthorne	11/02/99	\$5,000
22	04/05/99	Fermin Cuza	Nick Pacheco, Candidate for the Los Angeles City Council	04/13/99	\$250
23	04/06/99	AMS Consulting	Don Knabe, Los Angeles County Board of Supervisors	03/07/00	\$500
24	05/26/99	AMS Consulting	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
25	05/29/99	Frank Orozco	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
26	05/29/99	Tammy Orozco	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
27	05/30/99	Fermin Cuza	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
28	05/30/99	Ines Cuza	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
29	06/05/99	Frank Gomez	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
30	06/05/99	Marika Gomez	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
31	06/07/99	Sheryl Green	Nick Pacheco, Candidate for the Los Angeles City Council	06/08/99	\$500
32	06/21/99	AMS Consulting	George Nakano, Candidate for the State Assembly	03/07/00	\$500
33	09/01/99	AMS Consulting	Betty Karnette, Candidate for State Senate	03/07/00	\$1,000
34	10/07/99	LAXMI	Cruz Bustamante, Lieutenant Governor	03/05/02	\$2,500

35	11/17/99	AMS Consulting	George Nakano, Candidate of State Assembly	03/07/00	\$1,000
36	12/13/99	AMS Consulting	Yvonne Burke, Los Angeles County Board of Supervisors	03/07/00	\$250
37	12/30/99	Fermin Cuza	Antonio Villaraigosa, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
38	01/25/00	Fermin Cuza	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$500
39	02/15/00	AMS Consulting	Antonio Villaraigosa, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
40	05/13/00	Ines Cuza	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
41	06/13/00	Ines Cuza	Rocky Delgadillo, Candidate of Los Angeles City Attorney	04/10/01	\$1,000
42	06/13/00	Fermin Cuza	Rocky Delgadillo, Candidate of Los Angeles City Attorney	04/10/01	\$1,000
43	06/13/00	Alan Schwartz	Rocky Delgadillo, Candidate of Los Angeles City Attorney	04/10/01	\$1,000
44	06/14/00	Anthony Willoughby	Rocky Delgadillo, Candidate of Los Angeles City Attorney	04/10/01	\$1,000
45	06/22/00	LAXMI	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
46	06/23/00	Frank Gomez	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
47	06/23/00	Marika Gomez	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
48	06/26/00	AMS Consulting	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$500
49	06/26/00	John Balestra	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
50	06/26/00	Gloria Zwinek	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
51	06/26/00	Fermin Cuza	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
52	06/27/00	Frank Orozco	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
53	06/27/00	Tammy Orozco	Xavier Becerra, Candidate for Mayor of Los Angeles	04/10/01	\$1,000
54	07/07/00	LAXMI	Democratic National Committee, Non-Federal Corporate	N/A	\$4,799
55	07/10/00	AMS Consulting	Democratic National Committee, Non-Federal Corporate	N/A	\$4,799
56	11/09/00	LAXMI	Democratic National Committee, Non-Federal Corporate	N/A	\$4,799
<b>TOTAL</b>					<b>\$52,847.00</b>

By making 56 contributions on behalf of Mattel, without disclosing that Mattel was the true source of the contributions, Respondent committed 56 violations of Section 84302.

### **CONCLUSION**

This matter consists of 56 violations of Section 84302, with a maximum administrative penalty of One Hundred and Twelve Thousand Dollars (\$112,000). The laundering of campaign contributions is one of the most serious violations of the Act, as it denies the public of information about the true source of a candidate's financial support.

In aggravation, Respondent sought to conceal the 56 contributions by circumventing Mattel's policies and procedures for the making of political contributions. In further aggravation, several of the contributions violated local contribution limits.

In mitigation, many of the contributions directed by Respondent were widely dispersed to several candidates, and therefore did not have a significant effect on any particular election. Respondent also voluntarily disclosed information to Enforcement Division staff regarding reimbursements for contributions that staff may not have otherwise discovered, and assisted and cooperated with Mattel's internal investigation.

This Stipulation is part of an overall settlement, in which all of the Respondents in this matter are sharing responsibility for the violations that occurred. In a separate stipulation, Mr. Schwartz has agreed to pay an administrative penalty of Fifty-eight Thousand Dollars (\$58,000) for aiding and abetting Respondent in making 30 of the 56 contributions. In addition, Mattel has entered into a separate stipulation to pay an administrative penalty of Seventy-two Thousand Dollars (\$72,000) for failing to disclose on its major donor campaign statements 48 of the 56 contributions that Respondent caused Mattel to reimburse.

Accordingly, the facts of this case justify a penalty in the amount of Eighty-eight Thousand Dollars (\$88,000).